

QUEST OIL CORPORATION  
CONSOLIDATED CASH FLOWS STATEMENT

For the quarter ended  
September 30, 2010  
(Unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Loss	\$ (6,115,451)
Adjustments to reconcile net loss to net cash used in operating activities:	
Share issued for services rendered	97,000
Depreciation, depletion and amortization	6,777
Change in fair market value of embedded derivative	5,754,997
Change in assets and liabilities, net of acquisitions	
Accounts Receivable and deposits	(4,000)
Accounts payable and accrued expenses	201,204
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (59,472)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Equipment purchase	(8,500)
NET CASH USED IN INVESTING ACTIVITIES	<u>\$ (8,500)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Cash proceeds from acquisition	28,676
Debt payments	(9,783)
Cash proceeds from the issuance of debt	50,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>\$ 68,893</u>
Effects of exchange rate on cash	112
NET CHANGE IN CASH	1,033
CASH BALANCES	
Beginning of period	2,054
End of period	<u><u>\$ 3,088</u></u>
SUPPLEMENTAL DISCLOSURE:	
Interest paid	\$ -
Income taxes paid	-
NON-CASH ACTIVITIES:	
Shares exchanged for acquisition of B&B Oil, Inc.	\$ 2,348,942
Shares issued in exchange of oil and gas properties	97,000

The accompanying unaudited notes are an integral part of these financial statements